(b) if so, the details thereof;

(c) whether the Imported Foreign Liquor is also subjected to the same levies, duties and regulations as imposed on Indian Made Foreign Liquor;

(d) whether any instructions have been issued by Government to this effect and the details thereof; and

(e) if so, what steps have been taken to ensure compliance with these instructions ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY) : (a) to (e) Yes, Sir. It is true that various State Governments impose several levies on Indian Made Foreign Liquor and also subject them to various regulations. In view of this, import of alcoholic beverages as classified under Chapter 22 of the ITC(HS) Classification of Export and Import Items, 2002—2007, has been made subject to compliance of various mandatory requirements as stipulated by various State Governments *vide* DGFT Notification No. 5 dated 31-3-2001.

Import of alcoholic beverages is also subject to Basic duty, Additional duty and Special Additional duty. In the Budget for the year 2002, the duty rates on liquor are 182% Basic, 75% Additional duty upto c.i.f. price of US $ 25 (per case of 9 litres), (50% Additional duty on c.i.f. exceeding US $ 25), and 4% Special Additional duty.

Negative growth in exports

57. Shri GHULAM NABI AZAD : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether India's exports have slid back to the negative growth path after two years of positive growth;

(b) if so, whether they have failed to recover from the impact of the global economic slowdown and September 11 attack and India's exports failed to clock any growth during 2001-2002;

(c) if so, to what extent the exports growth slid down; and

(d) what steps are being taken to improve the export growth?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY) : (a) to (c) India's exports of merchandise goods during 2001-2002, registered a decline of 1.17 per cent as compared to the previous year basically due to the global economic slowdown and the impact of events of September 11 and its aftermath. However, India's exports in April-May 2002-2003 has shown a positive growth of 10.46 per cent India's exports of merchandise goods recorded growth of 10.8 per cent and 19.7 per cent respectively during 1999-2000 and 2000-2001.

(d) Several short term interventionist measures have been taken by the Government to arrest the declining trend owing to the global economic slow down which *inter alia* include reduction in the export credit rate for both pre-shipment and post-shipment, special financial package to manufacturer exporters, extension of normal repatriation period up to 360 days, abolition of value caps in the case of DEPB for more than 400 export items. A medium term export strategy has been announced for the period 2002—2007, which aims at achieving 1 per cent of world exports by the year 2006-2007. Besides these, Exime Policy for 2002—2007 announced recently has also incorporated a number of measures to proactively promote exports which *inter alia* include permitting offshore Banking units in Special Economic Zones, a scheme to reimburse certain admissible expenses for export of certain agricultural products, development of clusters to help small scale exports, additional support for electronic hardware exports, further reduction in transaction costs, etc.

Placing of India on priority watch-list by USA

58. DR. T. SUBBARAMI REDDY :

SHRI K. NATWAR SINGH :

Will the Minister of COMMERCE AND INDUSTRY be pleased to state .

(a) whether the United States has once again placed India on the priority watch list of its Special 301 provision to deal with intellectual property violations;

(b) if so, whether the failure to provide patent protection for pharmaceuticals and farm chemicals has been cited as the main cause for the action;

(c) whether after the annual review, the US Trade Representative has opted to put India the 15-nation European Union and 12 other countries on the watch list for another year;